

FISCAL MEMORANDUM
HB 2343 – SB 2306

March 14, 2008

SUMMARY OF AMENDMENT (014510): Enacts the *Fire Safety Standard and Firefighter Protection Act* which requires cigarettes sold in this state to meet certain ignition and flame standards in order to reduce the risk of fire caused by smoking. The selling or manufacturing of cigarettes in violation of the provisions of this bill is punishable through civil penalties.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$144,700/Triennially
Reduced Cigarette Ignition Propensity and Firefighter Protection Act
Enforcement Fund

Increase State Revenue – Not Significant
Fire Prevention and Public Safety Fund

Increase State Expenditures - \$4,000/One-Time
\$46,900/Recurring
Reduced Cigarette Ignition Propensity and Firefighter Protection Act
Enforcement Fund

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue \$383,000/Triennially
Reduced Cigarette Ignition Propensity and Firefighter
Protection Act Enforcement Fund

Increase State Revenue – Not Significant
Fire Prevention and Public Safety Fund

Increase State Expenditures - \$4,300/One-Time
\$49,400/Recurring
Reduced Cigarette Ignition Propensity and Firefighter
Protection Act Enforcement Fund

Assumptions applied to amendment:

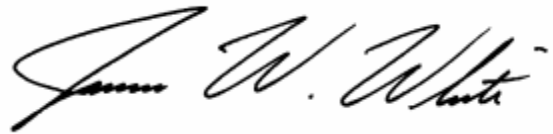
- According to the Department of Revenue, there are an estimated 383 brands of cigarettes sold in Tennessee.

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- Increased revenue of \$383,000 the first year will be received through a triennial certification fee of \$1,000 for all brands of cigarettes (\$1,000 x 383). An estimated five percent of the total or approximately \$19,200 (5% x \$383,000) would be received from new brands the following years.
- This revenue will be deposited into the newly created Reduced Cigarette Ignition Propensity and Firefighter Protection Act Enforcement Fund.
- Revenue collected from civil penalties will be deposited into the newly created Fire Prevention and Public Safety Fund.
- An increase in state expenditures from the Reduced Cigarette Ignition Propensity and Firefighter Protection Act Enforcement Fund to fund one new position in the State Fire Marshal's Office to implement and enforce the provisions of this bill. Recurring costs are estimated to be \$49,400 for salaries, benefits and related expenses. One-time costs are estimated to be \$4,300 for a computer, office landscaping, etc.
- Any increase in state expenditures to the Department of Revenue and the Attorney General will be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rct